

Message Text

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51

ACTION EUR-25

INFO OCT-01 ISO-00 ABF-01 FS-01 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 OMB-01 A-01 L-03 H-03 PA-04

PRS-01 USIA-15 DRC-01 /125 W
----- 021321

R 171335Z DEC 73

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 5540

INFO AMCONSUL MUNICH

LIMITED OFFICIAL USE PRAGUE 2846

E.O. 11652: N/A

TAGS: EFIN, CZ

SUBJ: POSSIBLE CHANGE IN TOURIST EXCHANGE RATE OF CZECHOSLOVAK
CROWN.

1. DURING DECEMBER 11 CALL ON FEDERAL MINISTRY OF FINANCE TO
DISCUSS RUMORED CHANGES IN TUZEX SYSTEM (BEING REPORTED BY AIRGRAM),
EMBOFF RECALLED THAT AMBASSADOR HAD SOME MONTHS AGO POINTED OUT TO
DEPUTY MINISTER OF FINANCE THAT CROWN EXCHANGE RATE AVAILABLE TO
EMBASSIES AND THEIR PERSONNEL WAS NOT ONLY FAR OUT OF LINE WITH
"FREE" RATE BUT WAS EVEN INFERIOR TO RATE GIVEN TO WESTERN TOURISTS.

2. MINISTRY OFFICIALS SAID THAT "RESIDENT" EXCHANGE BONUS WAS
CURRENTLY FIXED AT 100 PERCENT, BUT TOURIST BONUS OF 125 PERCENT
HAD BEEN SET IN 1964 TO ENCOURAGE WESTERN TOURISM. SINCE THAT TIME,
WORLD PRICE STRUCTURE HAD UNDERGONE MANY CHANGES, AND RECENT MINISTRY
OF FINANCE ANALYSIS HAD SHOWN THAT A MORE REALISTIC EXCHANGE BONUS
FOR WESTERN TOURISTS WOULD BE ON ORDER OF 38 PERCENT.

MINISTRY OFFICIALS SAID THAT CONSIDERATION WAS
BEING GIVEN TO MODIFYING TOURIST EXCHANGE RATE IN
THIS DIRECTION, BUT ADDED THAT ANY SUCH MODIFICATION
WOULD NOT AFFECT RESIDENT WESTERN DIPLOMATS, WHO MIGHT

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THEN FIND THEMSELVES ENJOYING MORE FAVORABLE EXCHANGE

RATE THAN TOURISTS. (WHILE CZECHOSLOVAKS
MAY REDUCE TOURIST EXCHANGE BONUS TO SLIGHT DEGREE, WE
DO NOT SEE HOW THEY COULD CUT THIS BONUS TO AS
UNREALISTIC A FIGURE AS 38 PERCENT CITED. NOTE THAT
FREE/BLACK MARKET "BONUS" IS CURRENTLY ON ORDER OF
200-300 PERCENT.)
SHERER

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Message Attributes

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Draft Date: 17 DEC 1973
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Drafter: n/a
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Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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